

FISCAL NOTE

Bill #: SB0412

Title: Provide for regulation of elevator contractors, mechanics, and inspectors

Primary Sponsor: Cocchiarella, V

Status: As Amended in Senate Committee

Sponsor signature

Date

David Ewer, Budget Director

Date

Fiscal Summary

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
Expenditures:		
General Fund	\$0	\$0
State Special Revenue	\$75,240	\$10,150
Revenue:		
General Fund	\$0	\$0
State Special Revenue	\$54,270	\$45,570
Net Impact on General Fund Balance:	\$0	\$0

- | | |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Department of Labor and Industry

1. SB 412 establishes licensure and regulation of elevator contractors, mechanics, and inspectors.
2. The department would adopt administrative rules associated with SB 412. Publishing and printing costs associated with adoption of administrative rules are estimated at \$988 (18 MAR pages X \$40, and \$268 printing and mailing costs) in FY 2006.
3. Development of applications and renewal forms, printing costs, website updating and development, and database updating costs are estimated at \$3,000 in FY 2006.
4. Supplies, communications, indirect overhead charges and other office expenditures are estimated at \$10,150 each year of the 2007 biennium.

Department of Labor and Industry - Licensing

5. The department is unable to obtain data on the number of prospective licensees. For purposes of this fiscal note, the department is using data from previous legislation to determine estimated number of licensees.

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(continued)

6. The department assumes all licenses would be renewed on a 2-year cycle. As a result, revenues received in FY 2006 must fund the program until the FY 2008 renewal period.
7. The department estimates it would issue 40 new mechanic licenses (\$150 each), five temporary permits (\$50 each), 15 new contractor licenses (\$150 each), and 10 new inspector licenses (\$150 each) in FY 2006, generating \$10,000 revenue.
8. The department estimates it will issue five mechanic licenses, five temporary permits, one contractor license, and one inspector license in FY 2007, generating \$1,300 revenue.

Department of Labor and Industry - Inspections

9. The department estimates it would inspect and issue certificates for 400 freight elevators (\$100 each), 46 dumbwaiters (\$70 each), and 15 material lifts (\$70 each), in each year of the biennium, generating \$44,270 revenue. Inspector workload associated with the inspections would be absorbed by the department.
10. The elevator inspection program has operated at a deficit for several years. The deficit as of June 30, 2004 was \$30,551. The department estimates the FY 2005 deficit at the same level as FY 2004. Revenues generated under SB 412 will resolve the deficit and allow the inspection program to operate fully funded.

FISCAL IMPACT:**Department of Labor and Industry**

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
<u>Expenditures:</u>		
Operating Expenses	14,138	10,150
Inspection program deficit FY 2004	30,551	0
Inspection program deficit FY 2005	<u>30,551</u>	<u>0</u>
TOTAL	\$75,240	\$10,150
<u>Funding of Expenditures:</u>		
State Special Revenue (02)	\$75,240	\$10,150
<u>Revenues:</u>		
State Special Revenue (02)	\$54,270	\$45,570
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
State Special Revenue (02)	(\$20,970)	\$35,420